

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN MIKE TAYLOR**, on January 24, 2001 at 8:00 A.M., in Room 422 Capitol.

ROLL CALL

Members Present:

Sen. Mike Taylor, Chairman (R)
Sen. Mike Sprague, Vice Chairman (R)
Sen. Edward Butcher (R)
Sen. Vicki Cocchiarella (D)
Sen. Sam Kitzenberg (R)
Sen. Dale Mahlum (R)
Sen. Glenn Roush (D)
Sen. Don Ryan (D)

Members Excused: Sen. Dale Berry (R)

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Kyanne Kelly, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 230, 1/21/2001; SB 219,
1/21/2001; HB 51, 1/21/2001
Executive Action: SB 202

HEARING ON SB 230

Sponsor: SENATOR KEN TOOLE, SD 27, HELENA

Proponents: Darrell Holzer, AFL-CIO
Gene Fenderson, MT Joint Heavy & Highway Committee
Betty Whiting, Montana Association of Churches
Wendy Young, Montana Women's Lobby
Briana Kerstein, Montana Peoples Action

Opponents: Aiden Myhre, Montana Chamber of Commerce
Riley Johnson, Federation of Independent Business

Brad Griffin, Montana Retail Association

Opening Statement by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 1.5}

SENATOR KEN TOOLE, SD 27, HELENA, stated SB 230 proposes an increase in the minimum wage. It proposes to tie the minimum wage in Montana for employers who do not offer health insurance to 125% of the poverty rate, and those who do offer a health plan 100% of the poverty rate. He noted it would apply to employers of 15 employees or more.

Proponents' Testimony:

Darrell Holzer, AFL-CIO, offered his qualified support for the bill. He said this bill is a step in the right direction, but he would like it to include all employers in Montana, not just those employers who employ 15 employees or more.

Gene Fenderson, Montana Joint Heavy & Highway Committee, stated he supports this bill and commented that there should be a meaningful minimum wage which is adjusted to our economy as time goes on.

Betty Whiting, Montana Association of Churches stated they support efforts toward economic justice. She said 100% of poverty wage plus health insurance would be the minimum of a just wage.

Wendy Young, Montana Women's Lobby, stated that people who make low wages often times are subsidized by food stamps and other social programs to make up the difference.

Briana Kerstein, Montana Peoples Action, stated Montana has more people working two or more jobs than anywhere else in the country. She said this shows that people are willing to work, and they work very hard, they are just not getting anywhere.

Opponents' Testimony:

Aiden Myhre, Montana Chamber of Commerce, said they believe the wage rate should be based on the market. She pointed out that employers are already increasing wage rates and offering benefits due to the tight labor market. She also said the wage rate should be based on skill.

Riley Johnson, Federation of Independent Business, said the market and skill base is working now. He made about 15 calls and didn't find any businesses paying minimum wage now. They start at \$5.75 and go to \$7.00 an hour. He said businesses are not paying minimum wage because they can't get employees for that.

Brad Griffin, Montana Retail Association, pointed out that in the restaurant sector employees are making in excess of the minimum wage. They start out at \$5.15 an hour and earn tips. In many cases they make 8,10, or 20 dollars an hour.

Questions from Committee Members and Responses:

SENATOR DON RYAN asked how the family structure is affected by so many people in Montana working two jobs.

Betty Whiting replied it greatly affects the family, especially because most people working two jobs are single parents.

SENATOR RYAN asked what effect health insurance has in keeping a person on the job.

Darrell Holzer said most workers would choose health insurance over a higher wage.

SENATOR GLENN ROUSH asked if most small employers offer a health plan.

Riley Johnson said no.

SENATOR MIKE SPRAGUE asked how this bill would affect ranch people.

Riley Johnson said it would affect them directly. It would be impossible for them to hire a high school kid at \$10.60 an hour.

SENATOR SPRAGUE stated that usually when the minimum wage is increased the ranch workers are exempted. He stated that 100% of the poverty wage would be \$8.60 an hour. He asked what the 125% would be.

Riley Johnson replied it would be \$10.05. Including the match to social security and other things it would bring it to close to \$12.00 hr.

CHAIRMAN MIKE TAYLOR asked **Gene Fenderson** if he paid people who worked for him \$10.60 an hour.

Gene Fenderson replied he did pay the employees much more than this bill asks for.

Chairman Taylor said increased payroll on 15 people would be \$150,000, he asked what it would do to the businesses.

Riley Johnson said they couldn't afford it.

Closing by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 2.6}

SENATOR KEN TOOLE, SD 27, HELENA, said that if the minimum wage had increased at the rate CEO pay has increased since 1990 minimum wage would be \$24.13 an hour instead of \$5.15. He noted there are large employers who consciously manipulate part-time employees and benefit packages to avoid those expenses. It does improve their expenses, and it does improve their bottom line and it goes into things like CEO salaries and returns. He said we need to be providing a bare minimum to people who are working.

HEARING ON SB 219

Sponsor: SENATOR MIGNON WATERMAN, SD 26, HELENA

Proponents: Tim Bartz, Anderson Zurmuehlen & Co, P.C.
David Johnson, Montana Society of CPA's
Joe Mazurek, Montana Society of Public Accountants
Russ Fillner, Montana Board of Public Accountants

Opponents: None

Opening Statement by Sponsor:

{Tape : 2; Side : A; Approx. Time Counter : 3.0}

SENATOR MIGNON WATERMAN, SD 26, HELENA, said this bill allows for changes in ownership requirements for CPA firms. She delineated each change from the bill. **EXHIBIT (bus19a01)**

Proponents' Testimony:

Tim Bartz, Anderson Zurmuehlen & Co, P.C., said there are qualified people they would like to be owners in their business but they are not allowed to be owners unless they are CPA's.

David Johnson, Montana Society of CPA's, stated that 27 states have passed similar legislation. **EXHIBIT (bus19a02)**

Joe Mazurek, Montana Society of Public Accountants, said this would clarify existing law to ensure that Enrolled Agents could use the abbreviation they are licensed for. He added their support to the bill. **EXHIBIT (bus19a03)**

Russ Fillner, Montana Board of Public Accountants, supports this legislation with the amendment that the people who become partners are in the business of public accounting. **EXHIBIT (bus19a04)**

Opponents' Testimony: None

Questions from Committee Members and Responses

SENATOR MIKE SPRAGUE asked if there were amendments

Joe Mazurek said it is a single amendment.

SENATOR VICKI COCCHIARELLA asked who are the people who want to be partners, and are prohibited now.

Tim Bartz said there are a number of pension specialists who would be potential partners, they are qualified in their speciality but they did not become CPA's.

SENATOR COCCHIARELLA asked why that came into law.

Tim Bartz said it was originally due to professional licensing.

Closing by Sponsor:

{Tape : 2; Side : A; Approx. Time Counter : 28.7}

SENATOR MIGNON WATERMAN, SD 26, HELENA, said the purpose of this bill was to include others besides CPA's or LPA's.

HEARING ON HB 51

Sponsor: REPRESENTATIVE TOM FACEY, HD 67, MISSOULA

Proponents: Sue Spankey, Missoula
Patti Keebler, AFL-CIO

Opponents: None

Opening Statement by Sponsor:

{Tape : 2; Side : B; Approx. Time Counter : 0.7}

REPRESENTATIVE TOM FACEY, HD 67, MISSOULA, said last session a bill was passed which carried a sunset provision. He said HB 51 asks that the sunset provision be removed, and it would become a permanent part of the code. **EXHIBIT (bus19a05)**

Proponents' Testimony:

Sue Spankey, Missoula, said she supports this bill because it would treat self-employed people in a fair way in a lay off situation. **EXHIBIT (bus19a06) EXHIBIT (bus19a07)**

Patti Keebler, AFL-CIO, said this would make permanent what was a good idea in the last legislative.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SENATOR DALE MAHLUM asked if this is simply a repeal of the sunset.

REPRESENTATIVE FACEY said yes.

Closing by Sponsor:

{Tape : 2; Side : B; Approx. Time Counter : 12.6}

REPRESENTATIVE TOM FACEY, HD 67, MISSOULA, said this law allows a person to keep his unemployment benefits and be a self employed basketball referee.

EXECUTIVE ACTION ON SB 202

Motion/Vote: SEN. BUTCHER moved that SB 202 BE TABLED. Motion carried unanimously.

ADJOURNMENT

Adjournment: 9:45 A.M.

SEN. MIKE TAYLOR, Chairman

KYANNE KELLY, Secretary

MT/KK

EXHIBIT (bus19aad)